



**REPORT OF  
THE  
STATE AUDITOR**

**STATE OF COLORADO  
STATEWIDE SINGLE AUDIT**

**Fiscal Year Ended June 30, 2000**

**LEGISLATIVE AUDIT COMMITTEE  
2000 MEMBERS**

***Representative Jack Taylor***  
**Chairman**

***Representative Carl Miller***  
**Vice-Chairman**

***Senator Norma Anderson***  
***Senator Doug Lamborn***  
***Senator Doug Linkhart***  
***Senator Peggy Reeves***  
***Representative Sue Windels***  
***Representative Brad Young***

**Office of the State Auditor Staff**

***J. David Barba***  
**State Auditor**

***Joanne Hill***  
**Deputy State Auditor**

***Debra Burgess***  
***Sally Symanski***  
***Corey Barkwill***  
***Brenda Berlin***  
***Tyra Bischoff***  
***Corena Carmichael***  
***Jerrold Cotosman***  
***Stacy Glackin***  
***Jennifer Henry***  
***Michael Henthorn***  
***Cynthia Hochmiller***  
***Kerri Hunter***  
***James Lei***  
***Tammy Nelson***  
***Cindi Radke***  
***Nicole Smith***  
***Greg Tanner***  
**Legislative Auditors**



## STATE OF COLORADO

J. DAVID BARBA, CPA  
State Auditor

**OFFICE OF THE STATE AUDITOR**  
(303) 866-2051  
FAX (303) 866-2060

Legislative Services Building  
200 East 14th Avenue  
Denver, Colorado 80203-2211

January 9, 2001

### Members of the Legislative Audit Committee:

Included herein is the report of the Statewide Single Audit of the State of Colorado for the fiscal year ended June 30, 2000. The audit was conducted under the authority of Section 2-3-103 et seq., C.R.S., which authorizes the State Auditor to conduct audits of all state departments, institutions, and agencies.

The purpose of this report is to present the results of the Statewide Single Audit for the year ended June 30, 2000. The report includes our audit opinion on the General Purpose Financial Statements and the supplementary Schedule of Expenditures of Federal Awards. It also contains our findings, conclusions, and recommendations, and the responses of the respective state agencies.

The report may not include all of the findings and recommendations related to audits performed of state institutions and agencies. Some findings and recommendations are issued under separate report covers. However, in accordance with the Single Audit Act, this report includes all findings and questioned costs related to federal awards that came to our attention through either the statewide audit or separate audits.

The report is intended solely for the use of management and the Legislative Audit Committee and should not be used for any other purpose. This restriction is not intended to limit distribution of the report, which, upon release by the Legislative Audit Committee, is a matter of public record.

---

## TABLE OF CONTENTS

---

	PAGE
Report Summary .....	1
Recommendation Locator .....	11
Schedule of Findings and Questioned Costs	
SECTION I - SUMMARY OF AUDITOR'S RESULTS	
Summary of Auditor's Results .....	29
SECTION II - FINANCIAL STATEMENT FINDINGS	
Department of Agriculture .....	33
Department of Corrections .....	37
Department of Education .....	41
Department of Health Care Policy and Financing .....	43
Department of Higher Education .....	47
Department of Human Services .....	57
Judicial Department .....	75
Department of Law .....	79
Department of Military Affairs .....	83
Department of Natural Resources .....	87
Department of Public Safety .....	93
Department of Revenue .....	99
Office of the State Treasurer .....	113
SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS	
Department of Health Care Policy And Financing .....	119
Department of Higher Education .....	153

	Page
Department of Human Services .....	165
Department of Public Health and Environment .....	179
Department of Public Safety .....	193
Office of the State Treasurer .....	199
Disposition of Prior Audit Recommendations .....	203

## FINANCIAL STATEMENT SECTION

Independent Auditor's Report .....	223
GENERAL PURPOSE FINANCIAL STATEMENTS .....	225
Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Units .....	226
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types, Expendable Trust Funds, and Discretely Presented Component Units .....	228
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budgetary Basis - Budget and Actual - General Funded .....	230
Combined Statement of Revenues, Expenditures/Expenses, and Changes in Fund Balances/Equity - Budgetary Basis - Budget and Actual - Cash Funded .....	232
Combined Statement of Revenues, Expenditures/Expenses, and Changes in Fund Balances/Equity - Budgetary Basis - Budget and Actual - Federally Funded ..	233
Combined Statement of Revenues, Expenses, and Changes in Fund Equity - All Proprietary Fund Types, Similar Trust Funds, and Discretely Presented Component Units .....	234
Combined Statement of Cash Flows - All Proprietary Fund Types, Similar Trust Funds, and Discretely Presented Component Units .....	236
Statement of Net Assets - All Pension and Investment Trust Funds, and Discretely Presented Component Units .....	240
Statement of Changes in Net Assets - All Pension and Investment Trust Funds, and Discretely Presented Component Units .....	241

	PAGE
Combined Balance Sheet - All College and University Funds .....	242
Combined Statement of Changes in Fund Balance - All College and University Funds .....	244
Notes to the Financial Statements .....	246
<b>REQUIRED INFORMATION .....</b>	<b>285</b>
Schedule of Expenditures of Federal Awards .....	385
Notes to the Schedule of Expenditures of Federal Awards .....	386
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i> .....	389
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance In Accordance With OMB Circular A-133 ..	391
<b>APPENDIX .....</b>	<b>A-1</b>